

2004**IDAHO CREDIT FOR QUALIFYING
NEW EMPLOYEES****FORM 55**
TC55041
10-18-04

For calendar year 2004, or fiscal year beginning	Month	Day	Year	Month	Day	Year	ending
			04				
Name(s) as shown on return							Social Security Number or EIN

PART I. QUALIFYING FOR THE CREDIT

For tax years beginning in 2004, two credit rates are available if you have qualifying new employees. They are:

1. A \$500 credit per new employee, but only if you meet the definition of a revenue-producing enterprise, or
2. A \$1,000 credit per new employee, but only if your new employee:
 - a. Received an annual average hourly wage of at least \$15.50 and
 - b. Was eligible to receive employer provided coverage under an accident or health plan.

PART II. CREDIT AVAILABLE SUBJECT TO LIMITATION

1. The average number of qualifying employees during the tax year	1	
2. The average number of qualifying employees during the three preceding tax years	2	
3. The average number of qualifying employees during the preceding tax year	3	
4. Subtract the greater of line 2 or 3 from line 1 and enter the difference. This is the number of qualifying new employees. The amount must equal or exceed one.	4	
5. Number of qualifying new employees listed on line 4 who meet the criteria for the \$500 credit. If you do not qualify as a revenue-producing enterprise, enter 0 on line 5.	5	
6. Number of qualifying new employees listed on line 4 who meet the criteria for the \$1,000 credit. If the new employees listed on line 4 do not meet the criteria discussed in Part 1, line 2, enter 0 on line 6.	6	
\$500 CREDIT		
7. Multiply the number on line 5 by \$500.	7	
\$1,000 CREDIT		
8. Multiply the number on line 6 by \$1,000.	8	
9. Add line 7 and line 8.	9	
10. Enter the net income of the trade or business in which the new employment occurred.	10	
11. Multiply the number on line 10 by .0325.	11	
12. Enter the smaller of lines 9 and 11. This is your total credit for qualifying new employees earned this year.	12	
13. Enter the pass-through share of credit from an S corporation, partnership, estate, or trust.	13	
14. Carryover from prior years' credit for qualifying new employees.	14	
15. Credit available prior to distributions. Add lines 12 through 14.	15	
16. Credit distributed to partners, shareholders, or beneficiaries.	16	
17. Total credit available subject to limitation. Subtract line 16 from line 15. Carry to PART III, line 23.	17	

PART III. CREDIT LIMITATIONS

1. Enter the Idaho income tax from your tax return.	1	
2. Enter your credit for tax paid to other states.	2	
3. Subtract line 2 from line 1.	3	
4. Enter 50% of line 3.	4	
5. Enter your credit for contributions to Idaho educational entities.	5	
The credit is limited to the smallest of 50% of the contribution and:		
corporations: \$1,000 or 10% of the tax on line 1;		
taxpayers other than corporations: \$100 (\$200 if filing a joint return) or 20% of the tax on line 1.		
6. a. If line 5 is less than line 4, enter the amount from line 5.		
b. If line 5 is equal to or larger than line 4, enter the amount from line 4.		
<i>This is your allowable credit for contributions to Idaho educational entities.</i>	6	
7. Enter your investment tax credit from Form 49, Part 1, line 8.	7	
8. Add lines 6 and 7.	8	
9. a. If line 8 is smaller than line 4, enter the amount from line 7.		
b. If line 8 is equal to or larger than line 4, subtract line 6 from line 4.		
<i>This is your allowable investment tax credit.</i>	9	
10. Add lines 6 and 9.	10	
11. Enter your credit for contributions to Idaho youth and rehabilitation facilities.	11	
The credit is limited to the smallest of 50% of the contribution and:		
corporations: \$500 or 10% of the tax on line 1;		
taxpayers other than corporations: \$100 (\$200 if filing a joint return) or 20% of the tax on line 1.		
12. Add lines 10 and 11.	12	
13. a. If line 12 is smaller than line 4, enter the amount from line 11.		
b. If line 12 is equal to or larger than line 4, subtract line 10 from line 4.		
<i>This is your allowable credit for contributions to Idaho youth and rehabilitation facilities.</i>	13	
14. Add lines 10 and 13.	14	
15. Enter your credit for production equipment using post-consumer waste but no more than \$30,000	15	
16. Add lines 14 and 15.	16	
17. a. If line 16 is smaller than line 4, enter the amount from line 15.		
b. If line 16 is equal to or larger than line 4, subtract line 14 from line 4.		
<i>This is your allowable credit for production equipment using post-consumer waste.</i>	17	
18. Add lines 14 and 17.	18	
19. Enter your promoter-sponsored event credit.	19	
20. Add lines 18 and 19.	20	
21. a. If line 20 is smaller than line 3, enter the amount from line 19.		
b. If line 20 is equal to or larger than line 3, subtract line 18 from line 3.		
<i>This is your allowable promoter-sponsored event credit.</i>	21	
22. Add lines 18 and 21.	22	
23. Enter your credit for qualifying new employees from PART II, line 17.	23	
24. Tax available after all credits. Subtract line 22 from line 3.	24	
25. 50% of tax limitation. Subtract line 18 from line 4.	25	
26. Enter the smallest amount from lines 23, 24 and 25.		
<i>This is your allowable credit for qualifying new employees.</i>	26	